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C O N F I D E N T I A L SECTION 01 OF 04 TAIPEI 000833

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [JP](#) [TW](#)

SUBJECT: TAIWAN-JAPAN RELATIONS HEAT UP OVER COLLISION NEAR
DISPUTED DIAOYUTAI ISLANDS

Classified By: AIT Director Stephen M. Young, Reason(s): 1.4 (B/D).

¶1. (SBU) At 3:38 a.m. local time on Tuesday, June 10, the "Lienho," a Taiwanese leisure fishing boat carrying 13 tourist passengers and three crew, sank after colliding with a Japan Coast Guard vessel during a chase near the disputed Diaoyutai (Senkaku) Islands in the East China Sea. Taiwanese commercial fishing boats are often chased by Japanese patrols in the waters surrounding Diaoyutai, but collisions are rare. China, Japan, and Taiwan all claim the uninhabited islands as their sovereign territory, but Japan actually controls the islands, around which it asserts an "exclusion zone" of 12 nautical miles. The waters surrounding the Diaoyutai chain are widely believed to contain rich reserves of oil and natural gas.

¶2. (SBU) According to June 11 reports from Taiwan's Central News Agency (CNA), the Lienho sank six nautical miles to the south or southwest of the disputed island chain. Japanese authorities considered the Taiwan boat to be operating in Japanese territorial waters, beyond the "temporary enforcement line" of Taiwan's exclusive economic zone. Taiwan fishermen stated they encountered the Japanese patrol boat "Koshiki" five nautical miles east of the Diaoyutai Islands. The fishermen said the patrol boat attempted to contact them by radio, but the noise of the fishing boat's engine made it nearly impossible to understand the transmissions, and the collision occurred shortly thereafter. The June 11 Asahi Shimbun online reported the Taiwan vessel fled from the Japanese patrol boat, tacking left and right as it sought to escape. During the chase, it reported, as the patrol boat closed in from the right rear of the fishing boat, the fishing boat suddenly swerved to the right, slamming into the patrol boat's port (left) bow. As the Lienho began to sink, the patrol boat rescued all sixteen aboard, and transported them to Ishigaki, an island in Japan's Okinawan chain, some 200 kilometers south of the Diaoyutai Islands.

¶3. (SBU) Taiwan media reported that officials from Taiwan's foreign ministry visited the passengers and crew shortly after the collision. The passengers returned to Taiwan on Wednesday, June 11, and two of the three crew members were released the following day. The captain of the fishing vessel, Ho Hung-yi, was detained for further questioning. On Thursday, June 12, Taiwan Foreign Minister Francisco Ou summoned Tadashi Ikeda, head of the Taipei Office of the Japan Interchange Association (JIA), to demand that Japan release Ho immediately.

14. (SBU) Later on Thursday, June 12, Taiwan's Presidential Office issued a four point statement in response to the sinking of the Taiwan fishing vessel:

(Begin Presidential Office Statement)

(1) The Diaoyutai Islands are territory of the Republic of China. Geographically, the islands are affiliated islets of Taiwan and are under the jurisdiction of the Dasi Village of Yilan County's Toucheng Township.

(2) We staunchly maintain our sovereignty over the Diaoyutais. This position has never changed and will absolutely not change in the future. The Ministry of Foreign Affairs is extremely clear on this position and will act in accordance with this stance.

(3) The ROC vehemently protests the Japanese coast guard vessel operating in the ROC's territorial waters, bumping against a Taiwan fishing boat, causing it to sink, and detaining the captain. The ROC asks that Japan immediately release the captain and provide compensation. The Ministry of Foreign Affairs is continuing to negotiate with Japan based on the aforementioned principles.

(4) We request that the ROC Coast Guard Administration immediately bolster its manpower and equipment to better maintain the ROC's sovereignty and defend the nation's right to fish in territorial waters.

(End Presidential Office Statement)

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KMT Reaction

15. (SBU) On Friday, June 13, at a question-and-answer session before Taiwan's Legislative Yuan, Premier Liu Chao-shuan was asked by a KMT legislator whether Taiwan was prepared for hostilities with Japan over the Diaoyutai incident. Liu tried to downplay that possibility, but said he would "not rule out going to war" with Japan if the dispute could not be settled amicably.

16. (SBU) Other KMT legislators, including Defense Committee convener Lin Yu-fang and KMT Caucus Secretary General Shuai Hua-min, criticized the administration for "weakness" in the face of Japan's "provocative" act, and urged President Ma to take a stronger stance. Lin said he would not rule out demanding that the Ministry of National Defense (MND) send navy vessels to assert Taiwan's sovereignty over the disputed islands. Lin also noted that the LY Defense Committee had already demanded that MND send a warship with legislators on board to inspect the site of the collision next Wednesday, June 18. (Note: The MND spokesperson confirmed publicly today, June 16, that the legislators' inspection tour is indeed scheduled for Wednesday, June 18. End note.) Presidential Office Spokesperson Wang Yu-chi dismissed assertions that President Ma had been weak, and reiterated that Ma and his administration would continue to defend Taiwan's sovereignty over the Diaoyutai chain. Wang declined to answer "hypothetical" questions about whether the Ma government planned to deploy warships to protect fishing rights.

Premier Liu Critiques MOFA Handling of Incident

17. (SBU) Later on June 13, Premier Liu told the Taiwan media he was "very dissatisfied" with the way the collision had been handled by MOFA. According to June 12 press reports, on June 11, shortly after the accident had occurred, MOFA Committee on Japanese Affairs Executive Director Peter Tsai (Ming-yao) ordered a Taiwan coast guard vessel not to enter the 12-mile "exclusion zone" around the islands asserted by

Japan. Tsai later told the press he issued the order as a precaution, in response to a call from JIA in Taipei demanding the Taiwan vessel delay its entry into the zone in order to avoid a conflict. However, by the time Tsai issued the order, the Taiwan coast guard vessel had already arrived at the scene of the accident and had begun to collect evidence, under the observation of the Japanese patrol boat still at the scene. After receiving Tsai's order, the Taiwan patrol boat withdrew, an act which critics charged "compromised" Taiwan's territorial claims. Tsai insisted he did not know the Taiwan patrol boat had already encountered the Japanese vessel, and that he did not order the Taiwan boat to retreat. Nonetheless, Tsai tendered his resignation on June 11 to accept responsibility. Premier Liu told the media he had asked MOFA to "study" disbanding the Committee on Japanese Affairs, which was established in 2005 as a task force to address ongoing disputes.

Japanese Representative Expresses Regret

18. (SBU) Also on Friday, June 13, Foreign Minister Ou threatened to recall Taiwan's representative to Japan if Japanese authorities failed to apologize and continued to hold the captain of the Taiwan fishing vessel. The captain, Ho Hung-yi, was released and returned to Taiwan on Friday evening. Koichi Ito, th Director of the JIA office in Taipei, paid a visit to Ho at his residence in Taipei County on June 14, to express "regret" on behalf of Japan's Maritime Safety Agency (MSA). According to Taiwan press reports, Ito insisted that the incident had occurred as the Japanese patrol boat was carrying out its duties, and that the collision had not been intentional. Ito also reportedly cited an MSA report which assigned fault to the captains of both boats, and promised that compensation would be paid in accordance with Japanese law.

Taiwan Recalls Representative from Tokyo

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19. (SBU) The same day, June 14, FM Ou deemed the MSA report "unacceptable," and announced his decision to recall Taiwan's representative to Japan, Koh Se-kai, to learn more about Koh's negotiations with the Japanese government. Ou also announced the Committee on Japanese Affairs would be disbanded, and that MOFA's long-dormant Diaoyutai Affairs Office would be reactivated. Koh returned to Taipei on Sunday, June 15. At a press conference, Koh, who was appointed by former President Chen Shui-bian and has worked in Japan for many years, argued that JIA Director Ito's expression of regret to Ho Hung-yi could be viewed as an apology, and urged Taiwan and Japan to find a way to solve the problem through diplomatic means. FM Ou acknowledged that Japan had demonstrated its "goodwill" following the incident, and agreed with Koh that the two sides should seek a negotiated agreement to the Diaoyutai dispute, but continued to call for a clear apology from the Japanese.

110. (SBU) DPP legislative caucus whip Lai Ching-te accused MOFA of trying to make Koh a scapegoat for the Ma administration's mishandling of the Diaoyutai incident, in order to justify replacing Koh, a Chen appointee, with someone of Ma's choosing. A government spokeswoman insisted on June 15 that Koh had been recalled to help the government in its future negotiations with Japan, and that Koh was not going to be replaced because of the incident.

U.S. Won't Get Involved

111. (SBU) In response to reporters' questions on June 15, AIT Director Young stated the U.S. would not become involved in the dispute between Taiwan and Japan because it was not necessary. DIR Young expressed regret that people had been

injured in the accident, but added that he was confident that Taiwan and Japan could resolve the dispute peacefully.

A Matter of Leadership?

¶12. (C) President Ma, who has maintained low visibility through the Diaoyutai incident and aftermath, has begun to come in for some criticism for not exerting leadership. AIT/K reports that Ma is currently on the second day of his southern Taiwan visit to express appreciation for support he received there in his presidential election. JIA Director General Koichi Itoh told AIT today, June 16, that JIA has been frustrated in its efforts to engage the Ma government to try to calm relations between Japan and Taiwan. Each official, he said, had "passed the buck": NSC Secretary-General Su Chi told JIA that he is just an advisor to the president and JIA should talk with the Foreign Minister; the Foreign Minister indicated he is under heavy political pressure to stand up to Japan; and KMT local political leaders and legislators -- he pointed to Taipei County Magistrate Chou Hsi-wei and legislator Lee Ching-hua -- were unresponsive to JIA efforts to discuss the situation and have continued their public criticisms of Japan. JIA, Koichi concluded, is frustrated in its efforts to engage Taiwan authorities and would appreciate assistance from any quarter in urging Taiwan leaders to calm down the situation.

Comment

¶13. (C) Ma and the KMT both approach the Diaoyutai issue burdened by history. Ma wrote his doctoral thesis in favor of Taiwan's claim to the islands, once proclaiming he would be willing to go to war with Japan to defend it. The KMT fought bitterly against the Japanese for control of the mainland during World War II, and many deep-Blues still blame Japan for the KMT's loss to Mao's communists. It seems that Ma would have liked to have settled this most recent dispute quietly, but his own words and LY pressure generated by the KMT's historical animosity toward Japan complicated the situation. Ma has thus far refrained from speaking publicly on the crisis, preferring instead to let Premier Liu and FM Ou take the lead. If Liu and Ou can't solve the matter

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themselves, Ma may have to get involved shortly. The next crisis point will occur if and when the KMT legislators make their voyage to the islands on Wednesday. This could be a key test of Ma's leadership.
YOUNG